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**City of Detroit**  
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ANNE MARIE LANGAN  
DEPUTY DIRECTOR  
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TO: Craig Rice, Director  
General Services Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: April 25, 2011

RE: 2011-2012 Budget Analysis

14.

Attached is our budget analysis regarding your department's budget for the upcoming 2011-2012 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing on **Thursday, April 28, 2011 at 10:00 a.m.** Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers  
Council Divisions  
Auditor General  
Tom Lijana, Finance Director  
Pamela Scales, Budget Director  
Donna McAlister, Executive Budget Manager  
Denise Gardener, Mayor's Office

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## General Services (47)

### FY 2011-2012 Budget Analysis by the Fiscal Analysis Division

#### Summary

The General Services Department is a General Fund agency. The recommended 2011-2012 General Fund appropriation budget is \$51.86 million, a \$2.48 million increase over the current year's Redbook budget. The department's budget in 2009-2010, two years ago, was \$61.5 million. The department's capital improvement budget comes solely from the Street Fund.

This department was created in the 2006-2007 budget to streamline functions common to multiple city agencies. The activities are Facilities Management, Grounds Maintenance, Inventory Management and Fleet Management. It was the goal in 2006-2007 that similar functions – both staff and contracts - from departments would be transferred to the General Services Department, potentially saving money through consolidation and freeing up these departments to focus on their vital field operations.

#### 2010-2011 Surplus/Deficit

The Administration is projecting a \$1.365 million surplus in the current fiscal year which is primarily due to vacancies.

#### Overtime

The recommended 2011-12 overtime budget is \$1.36 million. The current year's overtime budget is \$1.2 million. \$1.66 million has been spent on overtime through March 31, 2011.

#### Personnel and Turnover Savings

	Redbook Positions	Filled Positions	Mayor's Budget Positions	Over/(Under) Actual to 10/11 Budget
<u>Appropriation/Program</u>	<u>FY 10/11</u>	<u>3/31/2011</u>	<u>FY 11-12</u>	
<b>General Services (47):</b>				
470005 Administration	5	5	5	0
470007 Administrative Support Unit	5	5	5	0
470008 Property Management		4		4
470010 Facilities Management	0		0	0
470106 Detroit Wayne Joint Bld Auth	0		2	
<b>11825 Administration</b>	<b>10</b>	<b>14</b>	<b>12</b>	<b>4</b>
470009 Property Management				0
470010 Facilities Management	8	4	50	(4)
470011 Landscape Management	0		3	0
470012 Park Development	0		6	0
470015 Grounds Maintenance	84	76	0	(8)
470020 Building Services	42	40	40	(2)
480030 Skilled Trades	50	53	0	3
470035 Security	21	16	19	(5)
470037 D-DOT Security		4		4

470198 Ground Maintenance	0		0	
<b>11830 Facility &amp; Grounds Maint.</b>	<b>205</b>	<b>193</b>	<b>118</b>	(12)
470040 Inventory Management	2	6	10	4
470050 DPW Stores	2	1	0	(1)
470060 Fire Apparatus Stores	1	1	0	0
470070 Recreation Stores				0
470080 PLD Stores				0
470085 Health Stores	2	2	0	0
470095 Police Stores	2	3	0	1
<b>11831 Inventory Management</b>	<b>9</b>	<b>13</b>	<b>10</b>	<b>4</b>
<b>470100 Fleet Management</b>	<b>118</b>	<b>144</b>	<b>100</b>	<b>26</b>
470200 Non Park Forestry- Street Fund	47	39	42	(8)
470300 Median Grass Cutting				0
470400 Freeway Berm Grass Cutting	8	7	8	(1)
<b>12154 Non Park Forestry - Street Fund</b>	<b>55</b>	<b>46</b>	<b>50</b>	<b>(9)</b>
<b>470110 Street Maintenance Garage</b>	<b>21</b>		<b>21</b>	<b>(21)</b>
<b>470198 Ground Maintenance</b>	<b>0</b>		<b>72</b>	<b>0</b>
Leave of Absence		(5)		(5)
Workman's Comp		(6)		(6)
<b>Unmatched</b>		<b>1</b>		<b>1</b>
<b>TOTAL</b>	<b><u>418</u></b>	<b><u>400</u></b>	<b><u>383</u></b>	<b><u>(18)</u></b>

There is a proposed net decrease of 35 ftes. Due to the budget amendment last June, 25 positions and \$2.112 Million were added back into the department. 23 positions are being transferred back to the Fire Department so they can manage their own vehicle repair program. 37 positions are being cut. The department's salary and wage accounts are reduced by \$.5 million from budget to budget. Including the budget amendment, the department is effectively reduced by \$2.6 million

The Administration has provided no detail whether the 37 deleted positions will result in layoffs.

#### Significant Changes in Funding

Salary and wage appropriations decrease by \$.5 million, with benefits increasing by \$1.7 million.

Contractual Services increase by \$.6 million - \$1.2 million increase for contractual security, \$179,000 decrease for janitorial services and a \$400,000 decrease for miscellaneous service contracts.

Operating Supplies increase by \$900,000, primarily due to an increase in the fuel account by \$1.1 million.

Operating Services have decreased by \$1.2 million and Utility accounts have increased by \$200,000.

Miscellaneous and Purchased Services have increase by \$861,000, which includes an increase of \$525,000 for Building Operating Expense.

**General Services (47)**

Budgeted Professional and	FY 2010-11	FY 2011-12	Increase
<u>Contractual Services by Activity</u>	<u>Budget</u>	<u>Recommended</u>	<u>(Decrease)</u>
Administration	\$ -	\$ -	\$ -
Facilities Management	3,030,077	\$ 3,964,983	\$ 934,906
Grounds Maintenance	-	\$ 690,000	\$ 690,000
Inventory Management	2,782,203	1,837,728	\$ (944,475)
Fleet Management	747,681	695,181	\$ (52,500)
Capital Improvements	-	-	\$ -
Non-Park Forestry-Street Fund	-	-	\$ -
<b>Total</b>	<b><u>\$ 5,812,280</u></b>	<b><u>6,492,711</u></b>	<b><u>\$ 680,431</u></b>

Issues and Questions

1. What were the top two reasons that Fire Apparatus – Repair couldn't successfully merge with Fleet Maintenance?
2. Where 35 positions removed due to vacancies and retirement? Will there be any layoffs?
3. Explain why the contractual security account will increase by \$1.2 million and why \$535,000 was cut from the recommendation. Why was there a need for increased security and what proposed additional security will now be reduced?
4. The current year budget lowered the fuel account by \$500,000 and the explanation was that the fleet had been reduced. Please explain why the account is now recommended to increase by \$1.1 million.
5. What is the building operating expense account and why is it increasing by \$500,000?
6. What is happening with the leased vacant space in Cadillac Tower now that Recreation has moved to Northwest Activities Center? Please provide an updated master list of all existing leases throughout the city, along with expiration dates and if the space is currently being used and by which department?
7. Please explain the department's role in generating savings of \$2 million by improving space utilization.
8. What percentage of work performed is for the Solid Waste Division? As they are a separate fund, are they billed for all services performed? Have all billings been paid? Provide a 3-year history of billings and collections.
9. Please provide a 3-year history of the city's vehicle fleet.